The real estate roadmap to AML/CTF compliance

Your practical guide to Australia's new anti-money laundering obligations.

The road ahead: AML/CTF for real estate agents

Next year will see some major changes for the world of Australian real estate, with the introduction of new Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act regulations.

While the prospect of new compliance obligations might seem daunting, this guide is designed to help you navigate these changes.

It will help you understand the new requirements, what you need to do, and provide practical solutions for your agency.

What is the AML/CTF Act

The AML/CTF Act was introduced in Australia in 2006. Its legislation is designed to help prevent Australia being used as a place to launder money or finance terrorism.

The Act currently targets banks, casinos and other financial institutions. However, from 1 July 2026 it will also encompass law, accounting, dealers in precious stones/metals, conveyancing, trust and company providers, and of course real estate agencies.

Businesses such as real estate agencies who are included in the Act are known as reporting entities.

> “We see time and again that property is used to layer and integrate funds, often unknowingly facilitated by professional advisers.”
>
> **Brendan Thomas CEO AUSTRAC**

Why involve real esate

As one of the last developed countries to extend AML rules to real estate, there has long been a call for Australia to get in line with international anti-money laundering standards.

This legal move aims to close the gaps in the existing AML/CTF regime and make it more difficult for money laundering to occur in Australia's property market.

See the AML red flags in real estate section for the methods used to launder money using property.

What it means for you

There's no getting away from the fact that these new laws will create extra work as you navigate the additional costs, bolster resources, and ramp up training to meet compliance standards.

However, this is also a chance to strengthen trust and credibility with clients, and to help in the fight against money laundering.

Keep on reading to find out more about your key obligations and how you can help combat the movement of illicit funds.

Your to-do list as an agent

As a newly designated reporting entity, your real estate agency will have several key obligations.

1. Register your business with AUSTRAC

Enrolment will open on 31 March 2026, and AML/CTF obligations will take effect from 1 July 2026. You must enrol within 28 days of commencing a designated service. The final date for real estate agencies to enrol is 29 July 2026.

You will need to provide information on:

- The services your business provides, and the structure of your business.
- The contact details for your business, and the names and contact details of key personnel in your business, such as directors and officeholders.
- Financial statements for the most recent financial year.
- Registration numbers such as ABNs or ACNs, if you have them.
- Registration details if your business is registered in a foreign country.
- Any criminal, civil or enforcement action relating to your business and key personnel.

2. Build your compliance program

Build an AML/CTF program that truly works for you.

Your plan needs to be tailored to the unique risks your business faces, and give a clear picture of what those risks may be. Consider your business size, the clients you deal with, their geographical location, and how complex the property deals you are involved with are.

Your AML/CTF program should consist of two components:

(i) The processes and procedures you will use to identify, mitigate, and manage the money laundering and terrorism financing risks you may face.

(ii) The procedures you will use to identify customers, beneficial owners, politically exposed persons (PEPs), and how you verify their identity.

3. Carry out customer due diligence

AUSTRAC identifies three types of customer due diligence (CDD).

Initial customer due diligence

Before you list or sell a property, you need to carry out customer due diligence. That means checking ID, verifying identities, and ensuring you understand any risks associated with your client and/or beneficial owner.

If you find any risks, like suspect hidden owners, or cash that doesn't quite make sense you'll need to ask more questions and/or carry out enhanced due diligence checks.

Enhanced customer due diligence

If a customer or transaction is riskier, you need to do more to check who they are and where their money comes from. This might happen if you're dealing with someone important in politics, a customer from a country that's considered risky, or a transaction where it's hard to tell who really owns things.

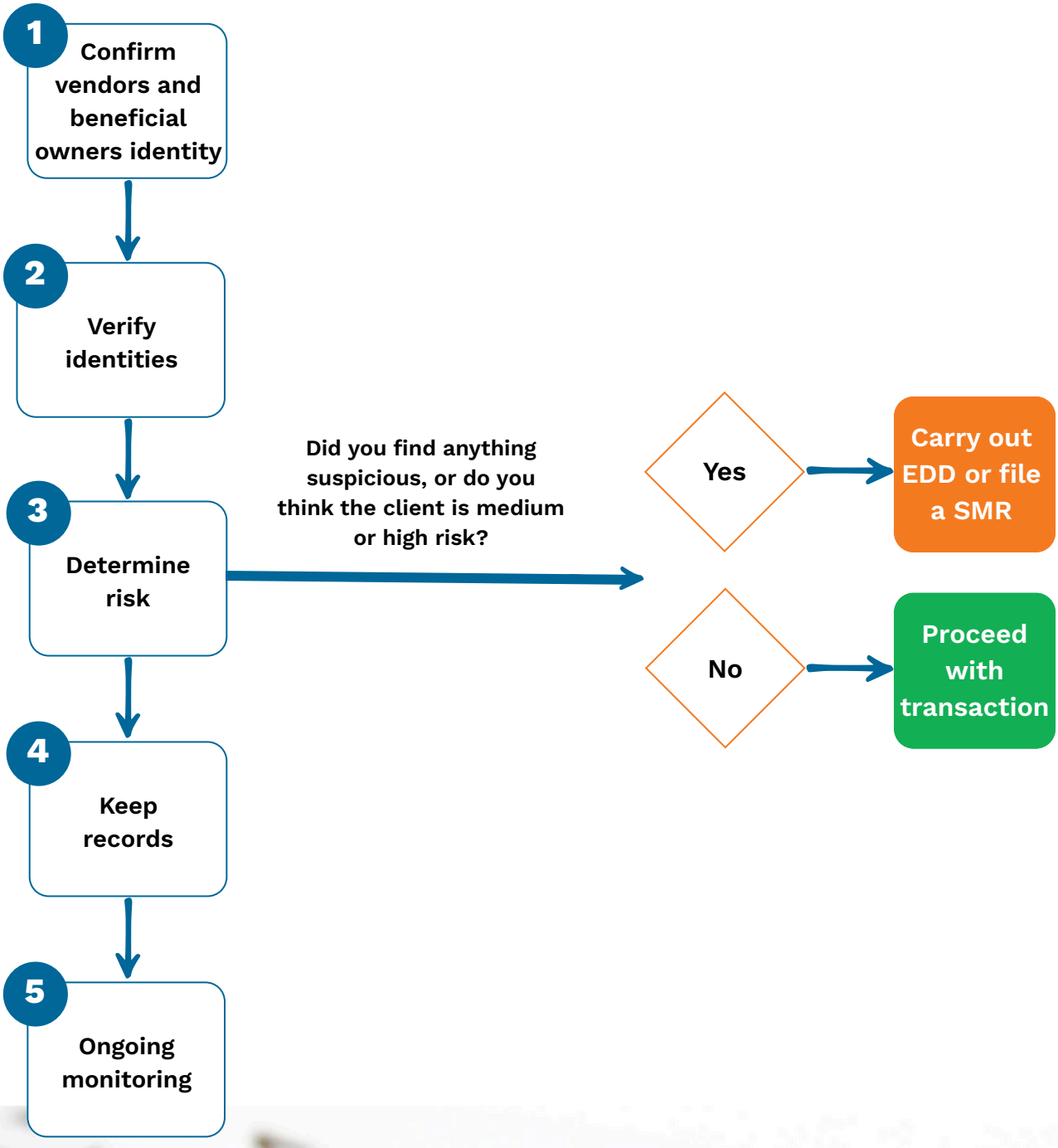
Ongoing customer due diligence

Once you have a client onboard you need to monitor their transactions and behaviour throughout your relationship to make sure it matches what you know about them and their risk profile.

Existing customers

You don't have to carry out initial customer due diligence or ongoing due diligence on existing customers (also called pre commencement customers) unless you file a suspicious matter report about them, or you believe their risk level has changed to medium or high. However, you must carry out ongoing risk assessment on client transactions so you can identify and record any material findings or changes that indicate elevated risk.

Step-by-step approach to customer due diligence



4. Report suspicious activity and transactions

Suspicious matter reports (SMR)

If you suspect someone's not being honest about their identity, or believe there could be a link to criminal activity, then it's time to raise a suspicious matter report. You must do this within 24 hours if your suspicion relates to terrorism financing, and within 3 business days if it relates to money laundering or any other offence.

Threshold transaction reports (TTR)

Report any individual physical currency transactions valued at A$10,000 or higher within ten days from when the transaction takes place.

5. Keep detailed records

Store all documents related to your compliance program for 7 years. This includes client checks, staff training sessions, audit results, and transaction records.

6. Appoint a compliance officer

You must appoint a compliance officer to be the driving force behind your daily compliance efforts and your AML/CTF program.

They'll be your business's direct line to AUSTRAC.

7. Train staff in AML process and conduct employee due diligence

Train all relevant employees in your business, including agents.

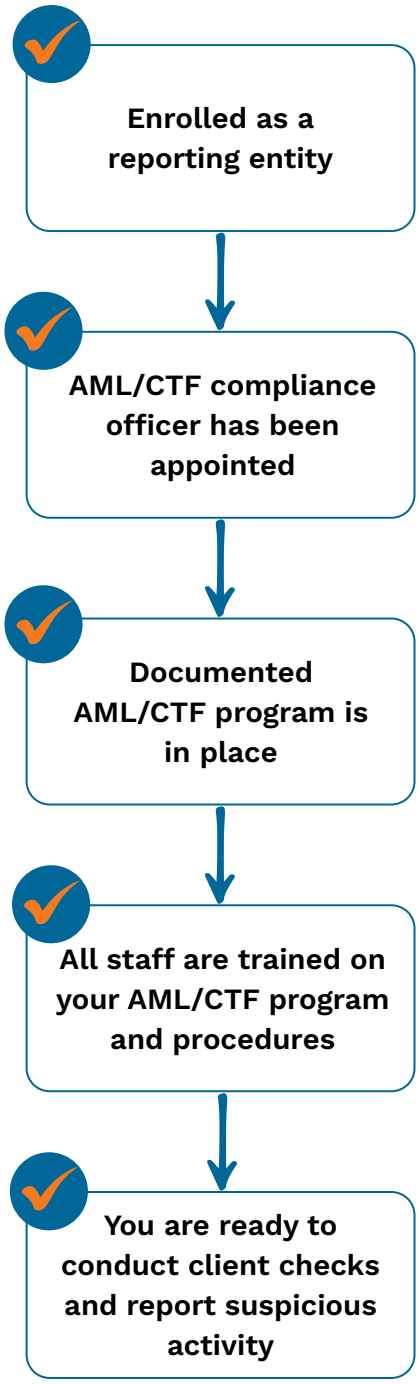
Your training needs to cover:

- What AML/CTF obligations you’re required to do.
- What happens if you don't follow the rules.
- The different risks your business could face.
- How to do AML/CTF tasks and what steps to take.
- How criminals try to launder money and fund terrorism through property, and their latest methods.

You’ll also need a plan to check employees who carry out AML duties to assess their risk of facilitating money laundering or terrorism financing. This plan should explain how you'll do these checks.

Your real estate compliance must-dos by 1 July 2026

Tranche 2 is coming. Prepare early so your real estate business stays compliant, confident, and stress-free.



Don’t miss the signs: AML red flags in real estate

As a real estate agent, you naturally provide legitimacy and respectability to property transactions. Unfortunately, this is exactly why some criminals use real estate to launder money.

Property deals often involve a lot of money, so large amounts of money can change hands without looking suspicious. If things like trusts, nominees, or companies are used, it’s even easier for criminals to hide ownership and source of funds.

And since property values can go up and down, criminals can hide its true worth to help launder money. Loans or other money tools can also be used to move money around.

Because there are so many ways for criminals to use real estate for their own ends, they will seek out the agencies they feel they can best exploit to meet their criminal intentions.

Avoid being the agency of choice for criminals by keeping an eye out for common red flags

Tips to help protect your agency

- Verify ID early
- Know when to escalate
- Keep clear records
- Train your team
- Ask about ownership structures
- Use reliable tools

Red flags in property transactions

Tranche 2 is coming. Know your red flags so your business stays compliant.

Buyers and sellers collude to hide the proceeds of crime	Knowing your client and understanding the origin of funds will help prevent this activity.
Your client is a politically exposed person	Consider whether your client's prominent position has exposed them to bribery, or whether they've used the privileges of their position to facilitate money laundering.
Your client works in a high-risk industry or job	Understand how your client's job could expose them to money laundering. For example, roles involving large cash transactions, like in a casino.
Your client offers to pay an unusually high level of fees	Unusually high fees can signal suspicious activity or even resemble a bribe. Always confirm there's a valid reason for large payments.
The legal structure of your client is frequently altered	Frequent name or ownership changes can hide the true owner. Assess the risk and investigate further if needed.
Client isn't showing interest in price or property details	If a client shows little interest in price or offers far above market value, treat it as a red flag.
Your client makes it difficult to identify the true beneficial owner	If a client acts for someone else, the real beneficiary may be hidden. They should identify who they represent and why.

A nominee is used by your client	If a nominee is identified, conduct enhanced checks. Record their details, verify source of wealth and funds, complete CDD on all beneficial owners, and consider filing a suspicious matter report based on risk.
Unexplained geographic distance between you and your client	Distance can be legitimate, but it may also hide ownership, identity, or source of funds.
There is an unusual involvement of third parties	If an unexpected third party appears or your client acts for someone else, treat it as a warning sign and verify everyone involved.
Payments are received from an unknown third party	If funds come from a company your client isn't linked to, deal with it immediately and assess if it's suspicious.
Your client has a high-net worth	Having great wealth is not in itself suspicious but large amounts of money can provide a gateway to bribery and corruption so should be considered a risk.
Your client is geographically located in a high-risk country	Consider the risks of dealing with countries that have weak anti–money laundering or counter-terrorism laws.
There is sudden activity from a previously dormant client	If a previously active client suddenly resumes selling properties after years away, treat it as unusual. It could signal issues like bankruptcy or a criminal history.

Practical checklists for tackling AML everyday

Checklist for onboarding

Gather identity information

Gather identifying information on your customer, the beneficial owner(s), and anyone acting for them. You need to collect:

- [ ] Full name
- [ ] Date of birth
- [ ] If the person is not a customer, the person's relationship to the customer
- [ ] The person's address or registered office
- [ ] Nature and purpose of the proposed business relationship
- [ ] Any information prescribed by regulations

Verify identity information

It's not enough to just have evidence of a customer's identity. You need to check and make sure the customer's ID is real and correct.

- [ ] A single independent electronic source

OR

- [ ] Use at least two independent and reliable matching electronic sources (the name and date of birth must be verified from two sources, or if using one source, the name, date of birth AND address must be verified)

Determine the risk

Assess the level of risk associated with your customer

- [ ] Gather enough details to know if you need to do extra checks
- [ ] Review the nature and purpose of the proposed business relationship

Keep records of your onboarding process

Keep detailed records of all decisions and retain records in a readily auditable manner.

- [ ] Identification information of your customer and any beneficial owners
- [ ] Copies of original documents used for identity verification
- [ ] Information on the nature and purpose of your business relationship

Compliance program checklist

Establish a governance framework to oversee your compliance program which should include:

- [ ] Risk assessment
- [ ] Customer due diligence framework
- [ ] Transaction monitoring
- [ ] Staff training and employee due diligence
- [ ] Record keeping procedures
- [ ] Independent reviews
- [ ] Reporting process

Compliance officer

Requirements:

- [ ] Management level
- [ ] Australian resident
- [ ] Have authority and independence
- [ ] Have access to relevant sources and information

Harnessing technology to stay ahead of AML obligations

While there always be some hands-on work required with AML obligations, you can ease the burden with technology.

The right technology can make AML checks quicker, easier, and more reliable, while also reducing the risk of missing something important. Include dedicated AML support with technology and you'll be on the path to making AML compliance a whole lot easier.

How technology can help

Electronic ID verification (eIDV)
Instantly verify identity documents online. Not only does this save time but also reduces risk of non-compliance.

Sanctions and PEP screening
Automated tools can instantly check if a client is a Politically Exposed Person (PEP) or on an international sanctions list.

Record keeping
Digital platforms let you securely store client information and due diligence checks all in one place for easy access at annual report and audit time.

What to look for in AML technology

- ☑ The level of data protection and security provided
- ☑ The personal support provided
- ☑ The ability to scale to the size of your business
- ☑ How well it can integrate with your CRM
- ☑ The ease of use
- ☑ Comprehensive reporting tools
- ☑ How effective it is at detecting red flags
- ☑ Ensure it complies with regulations

Partnering with you on compliance

We know most agents don't get into real estate to deal with compliance obligations and money laundering checks.

Most real estate agents we partner with would rather focus on the business of selling houses, connecting clients with their dream homes, getting listings 'live', and closing exciting deals.

That's where we come in.

Expertise

We deliver expert guidance and hands-on support. Specialising in helping real estate agents we have been AML partners with Ray White NZ since 2019.

Cutting-edge technology

Fast, accurate on-boarding, instant verification, and real-time access to regulatory databases which seamlessly integrate with your existing CRM systems.

Flexibility

Whether you need full outsourcing, a collaborative partnership, or a streamlined self-service software solution, you can tailor your ideal journey to compliance with us.

Contact us

Your expert partner for tranche 2 and beyond.

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